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FOREIGN AGRICULTURE



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Agricultural Production in Eastern Europe

Focus on the Inter-American Development Bank

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This week's cover:

Among the many Latin American improvements financed by loans from the Inter-American Development Bank during the last decade are a rice storage facility in Nicaragua and improved port facilities at Paranagua, Brazil. For a look at the Bank—its past accomplishments and plans for the future—see article beginning this page.

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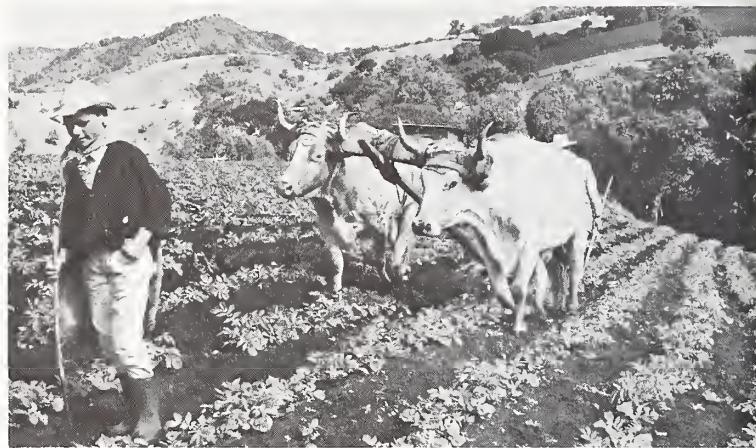
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A Decade of Growth— The Inter-American

As the Inter-American Development Bank (IDB) enters its second decade, it estimates that it has directly contributed to the welfare of one in every four Latin Americans and has indirectly benefited many more. About a fourth of its loans have been made to develop the area's vital agriculture.

The Bank was formed on December 30, 1959, and now includes 23 Western Hemisphere countries¹ seeking to speed their economic progress. Record lending in 1969 of US\$631.5 million brought its total loans to \$3.4 billion for the decade.

Lending in the agricultural section in 1969 totaled \$202.1 million, or 32 percent of the Bank's loans during that year. This brought total IDB lending for agriculture during the decade to \$833.8 million, or 24.3 percent of all loans. Agricultural loans have supported Latin American farm credit facilities, mechanization, technological improvements, extension and research services, livestock disease control, and many other related activities. Farm production and marketing have also been aided through loans for irrigation dams and canals, access roads, and rural electric power.

A decade of challenge

Since its establishment, IDB has authorized funds to back projects in Latin American industry, transportation, housing, education, water supply, sewage facilities, communications, and generation of electricity, as well as agriculture. The bank has made 565 loans during the decade.

The Bank's particular attention to the rural sector reflects agriculture's vital position in Latin America's economy as well as its sluggish performance in recent years. Employing nearly 44 percent of the region's work force, agriculture also accounts for over half the export earnings of 16 Latin American countries.

Agricultural progress has been one of IDB's toughest chal-

¹ Member nations are Argentina, Barbados, Bolivia, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Trinidad and Tobago, the United States, Uruguay, and Venezuela.



Development Bank

lenges. Latin America's agricultural production increased by only 3.0 percent during the 1960's, just keeping pace with a population expansion of 2.9 percent and lagging behind the region's gross domestic product growth of 4.9 percent. In 11 countries, population expanded faster than the rate of food production. Also, while agricultural exports continue to be the region's principal source of foreign exchange, they increased by only 25 percent from 1958 to 1968, while imports of farm goods grew by 50 percent.

With the help of IDB—the largest external source of financing for Latin America's agriculture—and the cooperation of local governments, steps are being taken to improve the area's rural outlook in future years. The Bank's long-range objectives are to increase food and fiber availability for the region, to provide more foreign exchange by expanding agricultural exports, and to slow the rural-urban migration which tends to increase social tensions in urban areas.

Early agricultural lending

During the 1960's almost all countries in the region enacted agrarian reform programs to reorganize land tenure systems. This had led to the need for land settlement programs and for immediate capital through farm credit. IDB was quick to recognize these needs and has approved 20 loans for land settlement projects which have directly affected 33,000 families and have accounted for 12 percent of the Bank's total agricultural lending. The projects encompass not only new settlement of land, but also related services such as roads, community facilities, farm credit, and technical improvements. Loans to national development institutions to be relent for farm development credit represent 27 percent of IDB's total agricultural loans and have affected more than 500,000 families.

Farm credit loans primarily have financed projects directly related to expanding production. These include purchases of machinery, livestock for breeding purposes, fertilizer, and seed; establishment of permanent crops; and diversification of crops. For example, an \$11-million loan has helped to estab-



Inter-American Bank loans have helped to improve Latin American farm production. Clockwise from left: Costa Rican potato farm; farmers examine yucca crop in Guatemala; pineapple harvest in Panama; Bolivian cocoa crop.



lish a credit program for 10,000 low-income Chilean farmers to improve livestock production, develop vineyards and orchards, and mechanize operations.

The largest category of IDB loans is that of irrigation and drainage, which has accounted for over 30 percent of all agricultural lending. In Mexico, a \$230-million Bank loan is helping to build a network of large and small irrigation systems throughout the country.

Agricultural research in Mexico has developed high-yield varieties of wheat and corn, stimulating a Mexican "green revolution" that is one of the most favorable signs for agricultural progress throughout Latin America. IDB has been a considerable factor in the success of the new Mexican varieties through extensive lending to Mexican irrigation and farm credit programs. To date, however, the "green revolution" had its best results in South and East Asia, where high-yield varieties of both rice and wheat have greatly improved grain production.

Agricultural mechanization and marketing are two categories which have steadily increased their share of IDB fi-



Left, mechanization, a major area of IDB agricultural lending, facilitates wheat harvest in Argentina. Above, a Mexican farmer inspects citrus grafting, part of an Inter-American Bank colonization project.

nancing since 1960. Of the eight loans made specifically for mechanization, five were made in 1969, with Argentina receiving 87 percent of the total lent. Loans made explicitly for marketing began in 1967. Since then, five such loans have been granted for a total of \$35 million. They have emphasized improvement in storage, transportation, processing, and merchandising. Authorizations to build access roads and improve port facilities have been especially important.

During the decade, the agricultural sciences accounted for 13.1 percent of all IDB loans for education. In Argentina, Bolivia, Mexico, and Peru the higher centers of agricultural training have received loans to improve their facilities; and many other universities which have received Bank loans are using them to help support their departments of agricultural sciences and veterinary medicine.

The Bank estimates that during the 1960's 6.7 million persons in the rural sector benefited from IDB loans. About 6.45 million acres of land are being improved or brought into production for the first time, and 17,110 miles of farm-to-market access roads are being built with the help of IDB loans.

Authorizations in 1969

During 1969 the Bank's earnings from capital resources were higher than in any previous year of its existence, with its loan authorizations following suit. Heavy emphasis was placed on Latin American economic integration, which received more support from IDB than in any previous year. In numerous cases lending directed toward integration has specifically benefited agricultural development, especially in the economic infrastructure fields of transportation, communications, and electric power.

The Bank devoted \$117.1 million of the \$631.5 million it authorized for loans in 1969 to the construction of trans-Latin American highways and national road networks, including both main highways and farm-to-market roads. In Mexico alone, \$44.5 million was lent for road construction. Of this amount, \$33.5 million will help build four federal highways totaling 283 miles and will aid the completion of five others totaling 577 miles. Another \$11 million will help construct 296 rural access roads in Mexico, totaling 1,500 miles.

Paraguay received a loan of \$26.4 million to help pave the Trans-Chaco Highway, which links that country with Bolivia. The loan is expected to directly benefit about 45,000 inhabitants of Paraguay's farm and stockraising communities. A 131-mile section of the Pan-American Highway, located on the main route from Bogota, Colombia, to Quito, Ecuador, will be improved by a loan of \$15.2 million.

Colombia also received a \$17-million loan for the construction of 45 access roads totaling 970 miles and serving low-income farm families throughout the country. Loans of \$7.5 million and \$6.5 million were made to Costa Rica and Chile, respectively, for farm-to-market access roads.

At least one 1969 loan will stimulate the export of agricultural commodities. This \$25.5-million loan was extended to Argentina to dredge a channel which will facilitate ocean-going transportation between Buenos Aires and ports along the Paraná River. Tung oil exports will be directly aided.

Inter-American Bank loans in the field of electric power totaled \$118.5 million in 1969. A \$30.8-million loan to Brazil is to help expand or establish electric power cooperatives that will benefit about 425,000 rural inhabitants, and a loan of \$8.5 million was granted for the same purpose in Chile. Brazil, Argentina, Bolivia, and Peru also were granted loans for in-

IDB AGRICULTURAL LOANS, 1961-69

Item	Number of loans	Value Mil. dol.	Share of total Percent
Irrigation and drainage	29	265.4	31.2
General development and diversification credit	47	231.6	27.2
Mechanization and technological development	10	110.3	13.0
Land settlement	20	104.1	12.2
Livestock development and disease control	18	91.4	10.7
Marketing	5	35.2	4.1
Cooperative and community development	3	3.9	0.5
Miscellaneous	4	9.2	1.1
Total	136	851.1	100.0

Socio-Economic Progress in Latin America, Social Progress Trust Fund, Ninth Annual Report.

creased transmission and generation and improved distribution facilities.

Farm credit for improved production received \$88.3 million in 1969 IDB loans. Argentina and Brazil received the largest loans, \$28.9 million and \$26 million, respectively. Bolivia, Ecuador, Guatemala, El Salvador, Nicaragua, and Panama also received substantial farm credit loans. The loans included programs geared to crop diversification, improved marketing, and increased productivity of specific commodities.

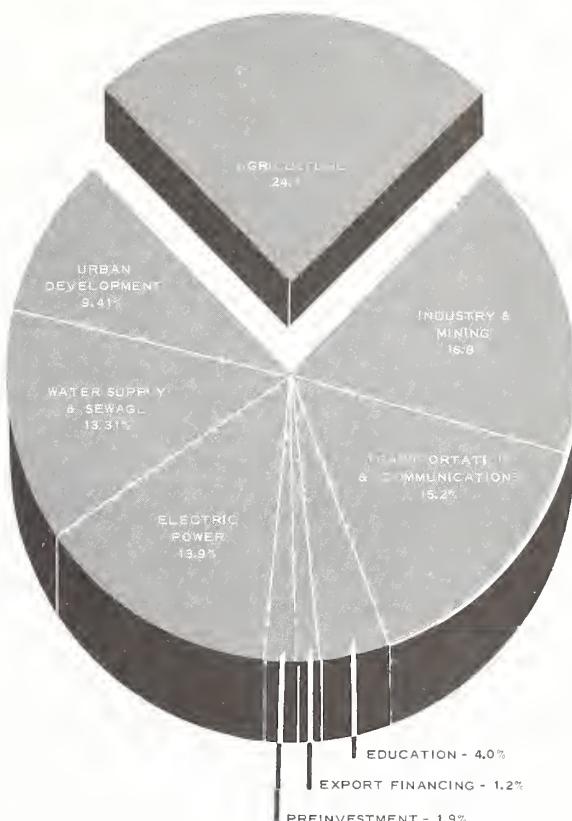
Agricultural research and extension services are being improved with loans totaling \$13.6 million in 1969. Costa Rica received \$2.5 million to build and expand research centers, extension services, experimental farms, and weather stations. Loans of \$8.9 million and \$2.2 million were made to Argentina and Ecuador, respectively, for similar programs.

Livestock improvement received particular attention from the Bank in 1969, as part of a campaign to eradicate foot-and-mouth disease, which costs the region almost a half billion dollars a year in cattle losses. A loan of \$10.5 million will help control the disease in Argentina. Bolivia received a loan of \$5 million for a livestock credit program which is designed to improve beef cattle output, and a loan of \$3.3 million went to Panama to carry out a farm and livestock credit program.

Other important areas of IDB's agricultural lending in 1969 were irrigation (\$33.9 million), farm marketing facilities (\$28.9 million), and farm settlement (\$27.7 million).

It is difficult to estimate the full ramifications of the Bank's lending in any sector, owing to its role as a mobilizer of additional financing within each country. The \$3,430 million that the Bank has lent during its first decade has financed projects whose total costs are calculated at \$9,600 million. This means that every dollar lent by the Inter-American Bank is being matched by two dollars in counterpart funds from the borrowing member nations.—K. J.

DISTRIBUTION OF IDB LOANS 1960-1969



Inter-American Bank Seeks Increased Resources

The Board of Governors of the Inter-American Development Bank (IDB) closed its 11th annual meeting with a proposal that the Bank's resources be increased by US\$3.5 billion. Contained in a resolution adopted on April 24, the proposal is aimed at enabling the Bank to meet the increased responsibilities of aiding Latin America's development during the 1970's.

The governors recommended that member countries contribute funds to increase the Bank's ordinary capital resources by \$2 billion and to increase the Bank's Fund for Special Operations—used to make special loans with easier interest rates and repayment terms—by \$1.5 billion.

The increase in ordinary capital resources would become effective when at least 16 member countries agree to make subscriptions which together total \$1.5 billion of the increase. Similarly, at least 16 countries must agree to contribute \$1.35 billion to the Fund for Special Operations before its increase becomes effective.

A study prepared for the Board of Governors by the Executive Directors of IDB stated that to meet the challenge of the 1970's the Bank would have to increase its yearly lending rate by 1973 to \$900 million a year. This would be a substantial increase over the record volume of \$631 million lent in 1969.

The report said, "The Bank should have sufficient resources

to increase substantially its contributions to the economic and social development of its members, and such resources should come from financial arrangements in as broad a range as possible of industrialized countries, as well as from the members themselves. . . . A growing amount of external financial resources must be made available to the borrowing member countries to encourage their increasing efforts and to help them with the rising need for development financing."

1970 IDB Lending for Agriculture

The Inter-American Development Bank has already made several substantial loans for rural development projects in 1970. These include funds to Brazil, Colombia, and Trinidad and Tobago, among others, to begin programs which will aid small- and medium-scale farmers.

In April, the Bank announced approval of a \$29 million loan to foster agricultural progress in the Brazilian State of Minas Gerais. The funds will aid the development of a technical assistance program, a settlement project, and a network of transportation and communications.

The recent loans to Trinidad and Tobago and Colombia total \$3.6 million and \$1 million respectively. They are aimed primarily at crop diversification and livestock production in Trinidad and Tobago and at land reform, extension services, and technical assistance in Colombia.

After a record 1969 plum crop—

Yugoslavia's Prune Exports May Soar

By KOY L. NEELEY

Assistant U.S. Agricultural Attaché

The Hague¹

Yugoslavia, which last fall harvested the largest plum crop of its history, will have twice its ordinary quantity of prunes for export during the current marketing year, and its plum brandy exports will continue their growth of the past few years. The mammoth plum crop pushed Yugoslavia's dried prune production higher than in any year since 1959, and the brandy output set a new record.

Of prune exports, 75 percent—the lower quality farm-dried prunes—will probably go to the USSR and Eastern European countries (mainly Czechoslovakia, East Germany, and Poland) and the remainder—the better quality prunes—to Western Europe. Yugoslavia, second to the United States in world prune production and exports, competes with the United States in the export of small prunes, chiefly to West Germany; U.S. prunes also go to the United Kingdom, Italy, France, Canada, Sweden and Denmark.

The plum industry

Historically, the plum crop has been vital to Yugoslavia's fruit output. Yugoslavia is the world's largest producer of plums and has more plum trees than any other country. Average yield per tree is below that in some other producing countries, because many of the trees are old, some as much as 30 years, and much of the production is under noncommercial conditions with poor cultural practices. Although production of other tree fruits such as apples, peaches, cherries, and pears is large and expanding, plum trees contribute almost 60 percent to total fruit tree numbers and about 55 percent to total fruit production.

The number of plum trees of bearing age in 1969 is estimated at 71.1 million—a sharp increase from the 55.9 million

¹ At the time this article was prepared, Mr. Neeley was temporarily detailed to Belgrade.

Yugoslav peasant works at his plum brandy still.



trees in 1960 and an indication of the continued profitability of plum growing. Another reason for this large number of trees is that every farmer wants at least a few trees to provide plums for home use. Routine planting of new trees insures that old trees are replaced and that the industry expands.

More than half of all plum trees in Yugoslavia are of the variety POZEGACA, which is native to the country. In recent years, improved strains of the POZEGACA and some varieties from the United States have been added to try to lengthen the ripening period and thus expand the fresh plum trade.

Plum trees are grown in every Republic in Yugoslavia. The main areas of commercial production are western Serbia and Bosnia, where climate is most favorable.

Plums are produced largely on private farms. Only about 2 to 3 percent of the total output is derived from the socialized sector, though production there has been increasing in the last 10 years.

There are sharp differences between production in the private and socialized sectors. Orchards on private farms are small and plantings are often irregular. Only about 20 percent of the trees are young and the proportion of improved varieties is small. These conditions hamper application of improved cultural practices and tend to result in lower fruit quality and radical fluctuations in yield.

Orchards in the socialized sector, on the other hand, are larger. About 70 percent of the trees are young. Better varieties have been selected and plantings have been made in such a way that use of modern cultural practices is facilitated. Orchards in the socialized sector are planned and operated with the objective of producing a high-quality product for choice export outlets.

Plum production

Plum yield fluctuates widely from year to year because the crop is greatly affected by weather, especially during pollination. In 1965, when conditions were very unfavorable, production dropped to 440,000 short tons. In 1969, with weather at its best, a record 1.4 million tons were produced. Annual production in the last 10 years has averaged around 750,000 tons.

With average yields, about 10 percent of the plum crop is consumed or exported as fresh plums; 70 percent is made into plum brandy; another 10 percent is dried into prunes; and the remaining 10 percent is processed into jams, jellies, preserves, and other canned products.

Because of the perishable nature of the plum, consumption of fresh plums is confined to the period of about 8 weeks during and immediately following the harvest. Domestic consumption of fresh plums has declined recently as a result of generally increased availability of other fruits, both domestic and imported. Last year saw record grape and apple crops and increased cherry and apricot crops. Not only did these fruits provide severe competition for fresh plums, but plum size last year was small, which reduced acceptability.

Export and consumption of fresh plums may show a gradual increase in the future as improved varieties replace old plantings and as improvements are made in harvesting, handling,

storing, and transporting. But competition from other fruits will remain a strong influencing factor.

Production of brandy

By far the greatest part of the plum crop is used each year to produce plum brandy—*slivovitz* (*sljivovica*)—the national drink of Yugoslavia. Brandy production commences with the beginning of the plum harvest in mid-July and is largely completed by the end of September. Most of the brandy produced and consumed in Yugoslavia is single-distilled, usually called soft or light brandy. Brandy is produced mostly on private farms. Much of this is used in home consumption and the rest is sold through commercial channels. Roughly 10 percent of the volume is heavy or double-distilled brandy, most of which goes to the hotel and restaurant trade or to export. There are some commercial distillers in the socialized sector, but they contribute only about 2 percent to the total production.

Plum brandy production in ordinary years ranges between 75 million and 79 million quarts. In 1965 production dropped to 40 million quarts because of the short crop. From last year's bumper crop it is estimated that 143 million quarts were produced—the largest production in history. Production of brandy, which is relatively more remunerative than other possible uses of fresh plums, was especially profitable in 1969 when plums were small and the crop large.

Exports of brandy have risen sharply during the last decade. During 1968 exports were recorded at 438,000 quarts, mostly to West Germany and the East European countries. This compares with only 125,000 quarts exported in 1959. It is estimated that exports from the large 1969 crop will reach 484,000 quarts.

Prune production

Yugoslavia is the world's second largest prune producer, topped only by the United States. Yearly production of prunes varies widely following changes in the volume of the plum crop. Average annual prune production is about 23,600 tons. Production has ranged from 6,400 short tons following the poor 1965 plum crop to 45,000 tons after the large 1959 crop.

Yugoslavia contributed the major part of the large 1969 non-U.S. prune production, which was 56 percent greater than 1968. Yugoslavia's production, estimated at 40,000 tons, offset the short 1969 U.S. crop, which was down 16 percent from 1968. The average quality of this crop of prunes in Yugoslavia is not expected to be as high as in ordinary years because more of the production than usual was made from small plums.

Prunes are produced by two methods—by primitive, on-farm drying and in modern industrial driers. About 10,000 tons of prunes are dried on farms each year by the old system. The rest are produced in modern driers belonging to socialized farms and cooperatives. These sell for higher prices, and it is from this production that prunes are taken for export to Western Europe.

Yugoslavia has about 700 modern drying plants with an annual capacity of about 30,000 to 40,000 tons of dried prunes. The driers can process more plums than are produced in the socialized sector, so additional plums are purchased from private farmers. Because prices received for commercially dried prunes are higher than prices for farm-dried prunes, the private sector tends increasingly to sell fresh plums

for industrial drying rather than drying them on-farm.

Household consumption of prunes, which has been almost stable for many years at about two-thirds of a pound per capita, or about 7,000 tons per year, has declined noticeably in the last year or so. Greater availability of a wider variety of fruits at reasonable prices has altered eating habits. Improved storage and transportation facilities for fresh fruits have lessened dependence on prunes as a winter fruit. Also there has been a marked increase in imports of citrus and other tropical fruits.

From 2,000 to 5,000 tons of prunes are annually processed into other products for domestic consumption. The volume of disappearance in this manner depends largely on price, quality, and supply.

Yugoslavia's prune exports vary from year to year depending on domestic availability and competing world prices. During recent years exports have ranged from a low of 6,918 tons in 1965-66 to a high of 29,530 tons in 1962-63.

EXPORTS OF DRIED PRUNES FROM YUGOSLAVIA

Country of destination	Year beginning September 1				
	1962-63	1963-64	1964-65	1965-66	1966-67
	<i>Short tons</i>	<i>Short tons</i>	<i>Short tons</i>	<i>Short tons</i>	<i>Short tons</i>
Czechoslovakia	3,537	2,425	2,892	2,453	849
Germany, East	2,748	—	553	—	1,036
Germany, West	1,457	1,303	1,377	692	449
Italy	946	1,037	1,449	600	1,020
Poland	615	721	1,692	1,254	559
USSR	16,396	16,230	8,637	—	2,201

The prune industry has forecast exports from the 1969 crop at 24,000 tons. Even so, prune stocks at the end of the marketing season are expected to rise markedly.

Price policy for prunes

In June 1968, to improve prune quality and the position of Yugoslavia's prunes on the world market, the government announced minimum guaranteed prices for prunes dried in industrial plants and sterilized (treated with high temperature). These prices have been in effect for the 1968 and 1969 crops. Including the value of wooden boxes, these prices are as follows (in cents per kilogram¹):

Number of prunes per $\frac{1}{2}$ kilogram	
Up to 86	23.2
86 to 95	22.4
96 to 100	21.6

¹ 1 kilogram = 2.2046 lb.

There is no guaranteed price for prunes with counts of more than 100 prunes per half-kilogram or for prunes produced in the old, primitive driers. The previous guaranteed price for prunes (both sterilized and unsterilized) on the basis of 100 prunes per half-kilogram was 20 cents per kilogram.

The price guarantee program should in the long run result in increased commercial drying of plums and a decline in farm drying. On the other hand, it may bring about a reduction in total prune production as private farms shift from prune production to increased production of plum brandy. A larger output of commercially dried prunes should make Yugoslavia's prunes a stronger factor in Western markets than they have been in the past.

East Europe's agricultural output sagged last year, and 1970 may be another difficult one for the farmers of the 7 countries involved. Some crop areas were flooded, others lacked rain. Spring sowing is late in most countries and shifts in crops may be necessary.

East Europe's Farm Output Down in 1969

By DAVID M. SCHOONOVER
*Foreign Regional Analysis Division
Economic Research Service*

Agricultural output in Eastern Europe last year declined about 1 percent from the previous year—the first drop since 1962. Summer drought in the northern countries—Czechoslovakia, East Germany, and Poland—was mainly responsible, hurting potatoes, sugarbeets, and other crops. The southern countries—Bulgaria, Hungary, Romania, and Yugoslavia—recovered in 1969 from the 1968 drought, but not enough to offset lower crop production in the north. Livestock numbers were down in most countries at the start of 1969, retarding growth in output of livestock products. There are problems this year, too. The area sowed to winter grains generally is down owing to a dry fall, winterkill in the north, and prolonged spring flooding in the principal river basins. In Yugoslavia, wheat area reportedly is down about 10 percent from the previous year. Spring sowing tended to be several weeks behind schedule in most countries during the second half of April; Romania and Bulgaria were exceptions to the rule. Shifts from early-sown crops—oats and barley—to late-planted crops, such as corn, seem likely. Sugarbeet, potato, and vegetable-crop plantings also were delayed throughout most of the area, and flooded areas in some countries were unsuitable for planting. Soil moisture was adequate to excessive throughout the region in April.

Despite the decline in aggregate production in 1969, output remained on the generally higher plateau achieved since 1965; it was about 18 percent higher than the 1961-65 average in the USDA index. Yugoslavia and Hungary had record levels of production, growing faster than planned. Bulgaria and Romania partially recovered from the reduced 1968 level, but did not achieve planned growth. Output declined moderately in Czechoslovakia and Poland and sharply in East Germany.

One major advance in the decade was the greatly expanded use of mineral fertilizers. The apparent growth was 7 percent in 1969, compared with 15 percent in 1968, and an average annual increase of about 11 percent since 1960. In 1969, all countries but Yugoslavia and Romania exceeded 100 kilograms per hectare (89 pounds per acre) and East Germany attained an estimated 314 kilograms per hectare (280 pounds per acre). Yugoslavia maintains a subsidy on fertilizer to encourage greater use on private farms. Fertilizer usage is mandatory for private farmers in Poland.

National incomes up

East European countries reported growth in national income in 1969 ranging from 3.5 percent to at least 8 percent. The four southern countries, which have the lowest levels of income, attained the highest growth rates, generally exceeding 7 percent. Following a slowdown in 1968, growth in most

East European countries returned to rates exceeding those during the first half of the 1960's. (Romania, however, which had the highest growth rates of the earlier period, showed scant improvement from 1968 and continued to make slower growth than in previous years. Yugoslavia had the most rapidly expanding economy in the region in 1969, both agriculture and industry contributing to its growth.)

Growth of national income in the three northern countries was slower in 1969 than in 1968. Poland slumped most severely—reflecting the poor results in agriculture—falling well below growth rates of 6 to 7 percent in most recent years. Reported growth rates of 6 percent in Czechoslovakia and 5 percent in East Germany were less than in 1968, but higher than during the first half of the 1960's.

Drought affects northern feed supplies

Poland, East Germany, and Czechoslovakia experienced hot, dry weather throughout July and in the first half of August. This led to widespread problems for the agricultural sector, especially animal husbandry. Reduced production of potatoes and forage crops, combined with increased livestock inventories in Poland and East Germany, created a gap between feed supplies and needs. The impact was less severe in Czechoslovakia, where livestock numbers were low compared with recent years, although the poor potato crop was a deterrent to hog herd rebuilding programs.

Potato output declined from 70 million tons in 1968 to an estimated 59 million tons in 1969. Grain supplies were affected less severely by the drought. Total production equaled the record 1968 level of 33.4 million tons.

Through increased imports of grains and other feedstuffs, the northern countries expect supplies to be sufficient to maintain livestock herds at relatively constant levels. Imports of 5.7 million tons of grain in 1968 included 3.5 million tons of wheat and 1.9 million tons of feedgrains. Grain imports were likely to have declined in 1969, following the record 1968 harvest. But in 1970, owing to smaller feed availabilities from the 1969 crops, imports are expected to exceed the level of 1968 purchases by as much as a half-million tons.

USSR major grain supplier

The Soviet Union has been the major supplier of grain to these countries, providing about 60 percent of the total and more than 80 percent of the wheat in 1968. The United States supplied about 15 percent of the total, but almost half of the feedgrains. During 1969, the United States sold 575,000 tons of feedgrains, excluding transshipments, valued at \$30 million, to the northern countries of Eastern Europe. East Germany and Poland were the principal markets. In late 1969, Poland also extended its agreement with Canada to purchase 400,000 tons of wheat and barley by mid-1971. In January 1970, Czechoslovakia announced that the USSR would supply 1 million tons of grain, largely wheat, by midsummer. The

USSR agreed to sell 1.5 million tons of grain to East Germany during 1970, including 1.2 million tons during the first half.

Oil cake and meal imports by the northern countries have grown steadily, climbing from 543,000 tons in 1965 to an estimated 938,000 tons in 1968. The United States supplied 107,000 tons (primarily to Poland), valued at \$10.2 million. U.S. sales during 1969 slipped to \$8.5 million. Imports of oil cake and meal during 1970 by the northern countries probably will continue to grow and should exceed 1 million tons.

Good grain crops in southern countries

Total grain production in the southern countries—Bulgaria, Hungary, Romania, and Yugoslavia—in 1969 was an estimated 41.7 million tons, slightly below the 1966 record and 9 percent higher than the drought-reduced 1968 crop. Production was more than one-fourth above the 1961-65 average. Although total performance was clearly better than in 1968, the principal improvements were in Yugoslavia and Hungary. Wheat production reached record levels in both countries; corn production was a record in Hungary and near-record in Yugoslavia. Grain output was higher in Bulgaria and Romania, but well below 1966 and 1967 levels.

Improved levels of grain production boosted livestock feed supplies. Grains play a more important role than potatoes in the feed balances of these countries. Pasturing was delayed in the spring, but subsequent favorable precipitation, except in Bulgaria, provided additional benefits, for pastures were lush and hay crops yielded well.

The better 1969 grain harvest should extend the uptrend of grain exports and the downtrend of imports in the southern countries which developed during the 1960's. During 1961-65, the southern region was an annual net importer of more than 600,000 tons of grain, primarily wheat. Since 1965, a net export position—reaching about 3.5 million tons in 1967—has been maintained, although net exports declined in 1968 and 1969 as a result of the poor 1968 harvest. Yugoslavia and Hungary made especially abrupt shifts in the grain trade in 1969. Yugoslavia's wheat imports, which had been averaging almost 1 million tons during the first half of the 1960's, were discontinued in 1968, and the 1969 crop provided the first surplus since World War II. Hungary imported nearly 500,000 tons of grain—much of it feed wheat—during 1968, but the 1969 crop produced a surplus of about 700,000 tons, most of which has been exported.

Livestock product shortages

Livestock production in Eastern Europe in 1969 generally showed the least annual growth since the reverses of 1963. Output of most products, however, was well above the 1961-65 average. The lack of growth, nevertheless, had a substantial effect on trade and consumption patterns.

Inventories of most major categories of livestock in Eastern Europe were lower at the start of 1969 than in either of the previous 2 years. For the region, hogs were down 3.3 percent from the previous year, and sheep and cattle numbers had declined 2.0 percent and 1.2 percent, respectively. Poultry numbers increased a slight 0.7 percent. Inventories of the major categories of livestock had generally declined in all countries except Poland and East Germany (although hog numbers increased in Romania). Sharp declines of 13 percent in Hungary and Yugoslavia left hog inventories at close to the lowest levels of the 1960's. In Bulgaria and Czechoslovakia, the decline was 8 percent. The major decline in cattle

numbers was experienced by Yugoslavia, with an 8-percent drop. Poultry numbers also were substantially lower in Bulgaria and Hungary.

Reductions in livestock inventories generally continued during 1969. Preliminary USDA estimates suggest that cattle inventories declined 2 percent and hog and sheep inventories declined about 1 percent. In contrast to 1968, when widespread drought played a major role in herd cutbacks, the declines in 1969 generally can be attributed to a strong demand for meat, which impeded the rebuilding of livestock herds. Insufficient profitability and lack of incentives on the small private plots also have been blamed for some liquidation of holdings. Disease problems contributed to losses in some countries.

Although milk and egg production increased about 1 percent, meat output declined slightly in 1969. Poultry meat output made slight growth, primarily at the expense of pork. Substantial increases in total meat production are estimated for Poland and East Germany, and slight gains for Hungary and Romania. The sharpest declines were incurred by Bulgaria and Yugoslavia, followed by Czechoslovakia.

Meat demand jumps

The failure of most countries in 1969 to significantly increase output of meat made it difficult to meet consumer demands. The shortages required increased imports by some countries and led to reduced exports by others. Per capita consumption of meat in the region in 1967 averaged about 104 pounds (one-half of the U.S. level), ranging from 61.6 pounds in Yugoslavia to 138.6 pounds in Czechoslovakia.

The sharpest jump in meat consumption in the latter part of the 1960's occurred in the major meat importing country—Czechoslovakia. In particular, strong income gains in 1968 and 1969 led to increased demand for livestock products. However, reduced availabilities in other Communist countries—the traditional suppliers—put a brake on their exports to Czechoslovakia. As a result, the Czechoslovak Government announced plans in 1969 to step up imports of livestock products from non-Communist countries. Total meat imports in 1970 were planned to reach 96,000 tons—roughly 10 percent above normal levels.

Meat exports continued to be an important source of foreign exchange and the leading agricultural export of the region. However, export quantities of beef and live cattle by Yugoslavia—the leading meat exporter in the region—declined considerably in 1969. Decreased exports were the result of lower cattle numbers, as well as high import duties imposed by Yugoslavia's major market—the EC. In February 1970, Yugoslavia and the EC concluded a 3-year trade agreement, to be effective May 1, granting improved access to the EC market for Yugoslav baby beef.¹ Plans to import about 10,000 tons of beef to alleviate current shortages, however, were announced in April.

Entry into EC market difficult

Difficult access to the EC market was also faced by other countries in the region. The impact has been much less marked than in the case of Yugoslavia, reflecting the greater control over export prices, the relatively greater importance of intraregional and Soviet trade, and some success in locating

¹ See "Yugoslavia, EC Sign Baby Beef Agreement," *Foreign Agriculture*, May 4, 1970.

new markets, particularly for poultry. For Hungary, the second leading exporter of fresh meat and the leading exporter of slaughter cattle in the area, trade continued well in 1969. Poultry exports increased slightly and slaughter cattle exports reportedly jumped more than 40 percent. But to counter pressures, the government in early 1970 announced that pork imports will be increased. Poland is the leading exporter of canned meats, followed by Yugoslavia, and both rely heavily on the U.S. market for hams. Both countries showed growing sales to the United States in 1969.

Along with the emphasis on meat exports, the pressures to increase domestic consumption are expected to bring even greater emphasis to the livestock sector in the plans for 1971-75. Several of the countries took steps in 1969 to boost livestock production. Poland and Hungary introduced price increases on January 1, 1970. Limits on household plot livestock holdings in Hungary were removed early in 1970.

Reduced exports of industrial crops

Oilseeds. Total output in Eastern Europe declined 16 percent to an estimated 2.35 million tons. However, production of sunflowerseed—the major oilseed in the southern countries—jumped 11 percent to a record 1.76 million tons. The main boost came from higher yields, although area continued to expand. Exports apparently continued to increase in 1969 and should advance in 1970. Due to heavy imports by the northern countries and Yugoslavia, Eastern Europe still is a net importer of sunflowerseed oil, despite its prominence as an exporter. And the northern countries experienced a major setback in oilseed production in 1969. Rapeseed production declined to about 430,000 tons—40 percent of 1968 output—as a result of severe winterkill and the summer drought.

Sugarbeets. Production in Eastern Europe dropped 22 percent in 1969. Output fell 27 percent in the northern countries—major producers of the region—and production was lowest since 1962. A good crop in the southern countries helped cushion the fall in the region. Area declined slightly from 1968 levels—well below plantings earlier in the decade in most countries. Although the drought in the north sharply reduced sugarbeet yields, a long autumn and improved weather conditions reportedly favored sugar development.

Tobacco. Production in Eastern Europe received a setback in 1969, falling an estimated 9 percent. Tobacco in Bulgaria—the leading producer—was seriously affected by disease on about one-fifth of the area. Bulgaria's output of oriental tobacco declined 9 percent; and its exports of oriental tobacco declined to about 60,000 tons in 1969 with a further decline likely in 1970.

Cotton is area's top farm import

Cotton. Only a small amount of cotton is produced in Eastern Europe, primarily in Bulgaria. Cotton is Eastern Europe's leading agricultural import. Cotton imports increased from 623,000 tons in 1967 to 631,000 tons in 1968—8 percent above the 1961-65 average. Incomplete trade data for 1969 indicated that Yugoslav and Hungarian purchases were exceeding 1968 levels, but Polish purchases were less. Bulgarian purchases were about the same. The Soviet Union is the principal supplier of cotton to Eastern Europe, accounting for 57 percent of the total in 1968. The United Arab Republic has been the second largest source, but purchases from there were reduced in 1968. The United States has sold considerable quantities of cotton to Poland and Yugo-

slavia and accounted for about 6 percent of East European imports in 1968. United States cotton sales to the region declined in 1969.

U.S. farm exports to area drop

Total U.S. agricultural exports to Eastern Europe in 1969 were valued at \$99.5 million, down about 26 percent from 1968. Reduced feedgrain and cotton sales accounted for most of the decline. The leading exports to Eastern Europe were feedgrains, \$29.7 million; and soybean meal, \$26.6 million. The United States supplies a substantial share of East European imports of these commodities. In 1968 direct U.S. sales, excluding transshipments, accounted for about 45 percent of East European feedgrain imports and 20 percent of oil meal imports. Soybean meal has made the most substantial growth in recent years. U.S. agricultural exports to Eastern Europe represent about 4 percent of the region's imports of farm commodities.

U.S. agricultural exports to Eastern Europe have declined since 1966, primarily as a result of the falling off of the market in Yugoslavia—previously the major purchaser of wheat. Total sales to Yugoslavia declined from \$118.2 million in 1966 to \$18.7 million in 1968 but recovered to \$22.6 million in 1969. The leading U.S. customers in 1969 were Poland—purchaser of \$37.2 million—and East Germany—purchaser of \$24.6 million. Sales to Poland dropped from \$71.7 million in 1968, but sales to East Germany held at about the previous year's level.

U.S. imports of agricultural commodities from Eastern Europe in 1969 were valued at \$83.5 million, about 2 percent higher than in 1968. The major imports were canned hams—\$46.9 million; other canned pork—\$8.7 million; and tobacco—\$11.2 million. The leading suppliers to the U.S. market were Poland with sales of \$56.0 million and Yugoslavia with sales of \$27.5 million.

Outlook

Planned rates of growth for East European agriculture in 1970 vary sharply by country. Rates in most countries, if reached, would raise total agricultural output well above the minimum levels envisaged by the end of the 1966-70 plans. Each of the three northern countries has targeted annual increases of about 3 percent for 1970. This generally exceeds typical growth rates of the 1960's. Reaching it in 1970 will depend on the ability of the three countries to maintain livestock herds and to obtain major improvements in crop production.

In two of the southern countries, sharp agricultural growth rates are planned for 1970—Bulgaria (12 percent) and Romania (16 percent). Rates of this magnitude have been accomplished in only one recent year—1966—when weather was especially favorable. In Hungary and Yugoslavia, the high rates of growth achieved in 1969 apparently have caused planners to set modest growth targets for 1970. Hungary, for example, plans a 1-percent increase.

The plans to stimulate livestock production will probably affect rebuilding of herds. The current situation does not appear to warrant substantial improvement in livestock product output in most countries before the latter part of 1970. Tight food supplies will have a dampening effect on growth of livestock product output in the northern countries and considerable time will be required to increase herds in the southern countries.

India's Big Wheat Crop—Storage Problem

By JAMES H. BOULWARE
U.S. Agricultural Attaché
New Delhi, India

India is anticipating another record wheat crop this year. The crop poses a mammoth problem of transportation and storage because of the government's high procurement target and large stocks from last year's big crop; but with new storage facilities to be completed, officials are confident that the new wheat can be handled. The expected high stock level indicates that imports will be significantly curtailed during the coming year if the 1970-71 monsoonal rains continue the excellent pattern of the past 3 years.

Weather turned favorable

Dry weather over much of India's wheat belt from early October to mid-January had threatened a serious decrease in winter grain and pulse production (wheat, barley, and chickpeas); but since about January 20, rains have been excellent. Cool weather continued into late March, giving the grain an opportunity to fill.

Although local damage from hail and wind storms has been extensive on the traditionally sown tall native varieties—especially in Madhya Pradesh—production prospects have improved markedly. Through most of the area, crops are remarkably uniform, and the major effect of the early dry spell seems to have been a lower rate of tillering in some nonirrigated areas. Overall prospects are for wheat production of at least 20 million tons, compared with 18.6 million in 1968-69 and an average of 12.5 million in the preceding 3 years. Barley and chickpea crops also are large—barley more than 3 million tons and chickpeas 5 million.

Target should be attained

In anticipation of a crop of this size, the Indian Agricultural Prices Commission recently recommended a procurement target of 3.7 million tons of wheat by the Food Corporation of India (FCI), the government's grain procurement and handling agency. Considering the overall availability of food following three good to excellent seasons, combined with the impact of the agricultural development program, this year's target is likely to be attained without coercion.

In the past 70 to 75 percent of the total procurement has been done from April through June. If this year is similar, the Food Corporation will need to purchase, transport, and store on the order of 2.7 million tons of wheat in that 90-day period, concentrated in the latter part of May and June. This is a Herculean task considering that early sales are in small lots, animal transport is used, and all grain must be bagged. But experience of the past 2 years indicates that it can be done.

Storage needed by June

Availability of storage at the right places is another problem. FCI grain stocks on February 1 approximated 4.3 million tons. Imports during February-June are scheduled at 1.9 million tons. Domestic procurement of 4 million tons—the 2.7 million tons of wheat plus 1.3 million of rice and other grains—brings the total supply to more than 10 million tons. After

a probable distribution of 3.5 million to 4 million tons has been deducted, storage will be required on June 30 for the remaining 6 million to 6.5 million.

In September 1969 the Agricultural Prices Commission estimated storage capacity in the hands of various government agencies and available to the FCI at "over 8" million tons. In addition, some private storage is used. Some of this storage space is for fertilizer stocks, which tend to peak at mid-year. Food officials anticipate that 200,000 to 300,000 tons of new storage capacity will be available by the time it is needed in May-June. These officials are convinced that the bumper crop can be transported and stored in a timely manner, even if the best storage is used for fertilizer supplies.

India Liberalizes Wheat Movement

India's Union Food Minister Jagjivan Ram recently announced the government's decision, effective immediately, to abolish all restrictions on inter-State movement of wheat, with the exception of the rationed area of Bombay and Calcutta, which will be cordoned off from the rest of the country. Mr. Ram also announced that the wheat procurement prices fixed for the 1969-70 marketing season will be maintained during 1970-71. These prices are \$2.76 per bushel for Mexican and indigenous common white varieties and a range between States of \$2.40 to \$2.70 per bushel for red varieties. The Minister's announcements were in line with the recommendations of the Chief Ministers' Conference held recently.

The government also decided to maintain the issue price (price at which the government resells wheat to fair price shops) of Mexican, indigenous red, and imported varieties of wheat at the existing level of \$2.82 per bushel. The issue price of amber-colored indigenous varieties, however, has been fixed at \$3.06 per pound effective May 1.

The government's announcement of a single wheat zone was counter to the views of the Agricultural Prices Commission, which questioned the wisdom even of last year's enlargement of the zone. And the announced prices are higher than those the Commission recommended—a uniform procurement price of \$2.64 per bushel for Mexican and indigenous common white varieties and \$2.40 per bushel for indigenous red wheat. The Commission had felt that, unless procurement prices were lowered, it would be necessary to increase the issue price of wheat distributed through ration and fair price shops.

The Food Minister said that all possible efforts would be made to achieve the procurement target of 3.7 million tons of wheat recommended by the Commission and accepted by the Chief Ministers. This target is 1.2 million tons above that for the 1969-70 marketing season.

In view of the prospective record harvest which will be reaching the markets throughout the next few weeks and the current comfortable level of government foodgrain stocks, removing restrictions on wheat movement is not likely to bring an appreciable increase in wheat prices. But it should help maintain open market prices at or near the procurement levels during the post-harvest season and facilitate marketing. Procurement should approach the target, but a shortage of 500,000 tons would not be surprising.

—Based on dispatches from JAMES H. BOULWARE
U.S. Agricultural Attaché, New Delhi

Growers See Soybean Use in Japan



Two highlights of the soybean tour of Japan were, above, a visit to the Noda Soy Sauce Co., Ltd., and, below, a soybean oil cooking demonstration conducted by Tamura Gyosai.



U.S. Cattle to Spain

On April 21, 142 head of U.S. beef and dairy cattle embarked from the new Richmond, Virginia, Deepwater Terminal for Spain. The shipment includes 27 head of cattle that will be on display at the Feria del Campo Livestock Show in Madrid May 20-June 7, as well as cattle to be sold commercially.

The animals were brought to Richmond from all areas of the United States and included representatives of four breeds; Holstein, Hereford, Angus, and Santa Gertrudis.

Champion soybean growers of nine U.S. States recently had an opportunity to see their products in use in their leading export market—Japan. They returned home impressed by the high use of soybean products in Japan, the huge growth potential of the market, and the importance of price and quality in keeping U.S. beans competitive.

Winners of a contest sponsored by a fertilizer firm, the growers were hosted in Japan by the American Soybean Association and the office of the U.S. Agricultural Attaché. It was their first chance to witness the export market development work jointly financed by the U.S. and Japanese soybean industries and USDA.

Highlights of the tour included meetings with representatives of virtually every major soybean and soybean product company in Japan; a visit to a soybean-oil cooking demonstration at Tokyo's largest cooking school; and a visit to the country's leading soy sauce manufacturer.

At Noda City, just north of Tokyo, the group visited the Noda Soy Sauce Company, Ltd., where the famous Kikkoman soy sauce is manufactured. A tour of the plant, including a privileged look at the special area where soy sauce is prepared for the exclusive use of Japan's Emperor and the Imperial Family, was followed by a special outdoor barbecue with, of course, plenty of soy sauce.

The growers were impressed by the high use of soy sauce in Japan—16 quarts per person per year, compared with about one cup per person in the United States. They agreed that the United States must keep promoting to maintain its share of the Japanese market in the face of competition from soybeans from other sources and with sunflowerseed. Japan imported 95 million bushels of soybeans from all sources last year, with the United States supplying 81 million bushels.

Wisconsin Holsteins board ship at Richmond for their trip to Spain.



CROPS AND MARKETS SHORTS

Weekly Rotterdam Grain Price Report

Current prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago, are as follows:

Item	May 6	Change from previous week	A year ago
	Dol. per bu.	Cents per bu.	Dol. per bu.
Wheat:			
Canadian No. 2 Manitoba	2.00	+1	1.93
USSR SKS-14	(¹)	(¹)	1.84
Australian Northern Hard	1.75	0	(¹)
U.S. No. 2 Dark Northern Spring:			
14 percent	1.93	+3	1.87
15 percent	2.00	+2	1.92
U.S. No. 2 Hard Winter:			
13.5 percent	1.86	0	1.83
Argentine	1.81	+1	1.80
U.S. No. 2 Soft Red Winter	1.72	+3	1.68
Feedgrains:			
U.S. No. 3 Yellow corn	1.68	+2	1.47
Argentine Plate corn	1.70	+3	1.55
U.S. No. 2 sorghum	(¹)	(¹)	1.26
Argentine-Granifero	1.46	+6	1.25
Soybeans:			
U.S. No. 2 Yellow	3.12	+3	2.89

¹ Not quoted.

Note: All quoted c.i.f. Rotterdam for 30- to 60-day delivery.

Canada To Increase Barley Quota

The Canadian Wheat Board recently announced a 3-bushel increase in the supplementary quota for barley, allowing Prairie farmers to deliver an additional 30 million bushels to the Board this year. The increase brings the supplementary quota to 6 bushels per acre seeded to barley.

The quota increase comes mainly as a result of a rise in exports to European markets where, according to the Board, root crops suffered extensive damage last summer.

Something over 77 million bushels of barley have been delivered to country elevators so far this year, compared with 48 million during the August 1-July 31 season a year ago.

Canada exported 27.7 million bushels of barley between August 1, 1969 and March 31, 1970, as against 10.8 million bushels in the same period a year earlier. However, recently reported sales of approximately 40 million bushels of No. 2 feed barley (at Can \$0.80 per bu.) for shipment this calendar year would account for the current increase in Canadian deliveries.

EC Drops Wheat Export Subsidy

On April 24, 1970, the Commission of the European Community temporarily suspended export subsidies for both milling wheat and denatured wheat for feed use. This raised the effective price to foreign buyers by between \$40 and \$50 per ton, and thus removed EC wheat from competition. Almost immediately, however, the Commission reintroduced the subsidies for milling wheat, although not for feed wheat.

There was no official explanation of why the Commission took these actions. They are presumed to be related to the sharply reduced stocks of wheat in the Community and the large amounts of subsidy that were already booked, thus insuring a record export volume for the year. Further factors are that feed use of wheat has reportedly been heavy and year-end stocks are likely to decline sharply, all of which are tending to push internal prices upward.

The latest actions by the Commission show that it, as well as the Management Committee, can make substantial changes in subsidies without submitting these changes for Council approval.

Canadian Food Aid to Korea

The Canadian International Development Agency (CIDA) recently announced the first major shipment of Canadian food aid to Korea under an agreement signed by Secretary of State for External Affairs Mitchell Sharp and Korean Ambassador to Canada Pil Shik Chin. A total of Can\$2.5 million (U.S. \$2.33 million) worth of wheat was to be shipped from Vancouver by the end of March.

According to CIDA, which handles all of Canada's food aid donations, Korea plans to use the wheat as payment in kind to workers involved in economic development programs and for rehabilitation operations in areas damaged by floods last year.

Canada has provided wheat and wheat flour to Korea under the World Food Program since 1965. The largest previous shipment was in 1965-66 when \$113,993 worth of Canadian wheat flour was provided.

Meat Imports in March

U.S. meat imports subject to the Meat Import Law during March 1970 totaled 112.0 million pounds. This quantity was almost 18 percent below the March 1969 level of 136.1 million pounds. However, imports for the January-March period

U.S. IMPORTS SUBJECT TO MEAT IMPORT LAW [P.L. 88-482]

Imports	March Million pounds	January- March Million pounds
1970:		
Subject to Meat Import Law ¹	112.0	337.2
Total beef and veal ²	124.7	372.6
Total red meat ³	171.3	495.0
1969:		
Subject to Meat Import Law ¹	136.1	228.4
Total beef and veal ²	141.3	253.1
Total red meat ³	194.8	344.2
1968:		
Subject to Meat Import Law ¹	64.1	217.5
Total beef and veal ²	69.4	237.7
Total red meat ³	107.5	348.8

¹ Fresh, chilled, and frozen beef, veal, mutton, and goat meat.

² All forms, including canned and preserved. ³ Total beef, veal, pork, lamb, mutton, and goat.

this year, at 337.2 million pounds, are still running 47.6 percent above the 228.4 million for the same period last year.

Reduced imports mainly from Australia, New Zealand, and Costa Rica more than offset the larger entries for consumption from Mexico, Ireland, Canada, Nicaragua, Honduras, and Panama. Imports from the largest supplier—Australia—totaled 44.6 million pounds, followed by New Zealand with 31.5 million, Mexico with 6.8 million, Canada with 5.9 million, Ireland with 5.6 million, and Nicaragua with 5.2 million.

**U.S. IMPORTS OF MEAT
SUBJECT TO MEAT IMPORT LAW¹
[By country]**

Country of origin	March		Jan.-March		Change from 1969	
	1969	1970	1969	1970	Jan.- March	March
Australia	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	Per- cent	Per- cent
Australia	73,045	44,561	98,418	162,698	-39.0	+65.3
New Zealand	33,101	31,457	44,902	51,345	-5.0	+14.4
Mexico	5,061	6,771	20,368	28,433	+33.8	+39.6
Ireland	4,577	5,637	10,702	22,961	+23.2	+114.6
Canada	3,074	5,859	9,909	17,817	+90.6	+79.8
Costa Rica	4,947	4,723	10,485	14,690	-4.5	+40.1
Nicaragua	4,734	5,246	12,354	13,803	+10.8	+11.7
Honduras	2,526	3,435	6,544	10,377	+36.0	+58.6
Guatemala	2,791	2,727	7,397	9,273	-2.3	+25.4
Panama	527	852	1,610	2,676	+61.7	+66.2
Dominican Republic	1,244	679	3,791	2,022	-45.4	-46.7
United Kingdom	252	—	1,532	862	—	-43.7
Haiti	204	59	409	226	-71.1	-44.7
Total	136,083	112,006	228,421	337,183	-17.7	+47.6

¹ Fresh, frozen, and chilled beef, veal, mutton, and goat. Excludes canned beef and other prepared or preserved beef products.

Chilean Wine Production Down

Severe October frosts caused considerable damage to the 1970 wine crop in Chile. Reports indicate that 1970 production will fall slightly below 1969 production of 106 million gallons and 26 percent below 1968. Approximately 2,500 acres of vineyards were damaged in the Provinces of Colchagua, O'Higgins, and Curicó.

CHILEAN WINE PRODUCTION

Season	Quantity
	1,000 gallons
1966	125,115
1967	129,126
1968	141,597
1969	106,294
1970	105,000

Exports totaled 1.6 million gallons during 1969, the highest level in 5 years. West Germany, Switzerland, and Belgium were the largest foreign markets during 1969.

Australia To Up Dried Fruit Levy

Legislation to increase the maximum rate of levy that the Australian Dried Fruits Export Control Board may impose on exports has been introduced by Australia's Minister for Primary Industry, J. D. Anthony. The levy is the Board's major

source of income. Raising it from 0.1 to 0.3 Australian cent per pound would ease that organization's tight financial condition, caused by expenditures and reduced exports from the small 1969 crops. A higher maximum levy should insure the Board enough income for its export promotion activities.

The export levy was first introduced under the Dried Fruits Export Charges of 1924. The maximum rate set at that time was 0.1 cent per pound of dried vine fruit exported, which remained unchanged up to the present. In 1964, the operative rate was set at 0.1 cent per pound, the maximum permitted under the Act. In the last 3 years, accumulated reserve funds have been eroded gradually by expenditures. This situation was aggravated by the small 1969 crops, reducing exports to the lowest level in 20 years, with a consequent reduction in export levy receipts.

The bill retains the Act's provision for setting a lower operative rate by regulation. The operative rate for the 1970 season is intended to be set at 0.2 cent per pound. The bill is expected to pass both Houses of Parliament without opposition or amendment.

London Prices of Fruits, Juices

The following quotations indicate selling prices of canned fruits and juices in London, c.i.f. basis:

Type and quality	Size of can	Price per dozen units		Origin	
		Apr. 1969	Jan. 1970	Apr. 1970	Origin
CANNED FRUIT					
Apricots, halves:		<i>U.S.</i>	<i>U.S.</i>	<i>U.S.</i>	
Fancy	2½	3.03	3.42	3.42	S. Africa
Choice	2½	3.24	3.54	3.54	Australia
Do	2½	2.94	3.30	3.30	S. Africa
Fruit cocktail:					
Choice	2½	3.90	3.99	3.99	Australia
Fruit salad:					
Choice	15 oz.	1.62	1.92	1.98	Spain
Peaches, clingstone halves:					
Choice	2½	—	3.60	3.60	U.S.
Do	2½	3.15	3.39	3.39	Australia
Do	2½	3.00	3.18	3.18	S. Africa
Pears:					
Choice	2½	3.33	3.51	3.51	Australia
Do	2½	3.09	3.30	3.30	S. Africa
Not specified	15 oz.	—	2.49	2.49	Italy
Pineapple slices:					
Fancy	16 oz.	1.68	1.86	1.86	S. Africa
Choice	2	2.14	2.30	2.30	U.S.
Do	16 oz.	1.44	1.70	1.70	Malaya
Grapefruit sections:					
Not specified	20 oz.	2.34	2.52	2.52	Israel
Do	20 oz.	—	2.43	2.43	W. Indies (British)
CANNED JUICE					
Grapefruit, unsweetened	43 oz.	3.03	3.27	3.27	Israel
Orange, unsweetened	43 oz.	3.09	3.27	3.27	Israel

Nigeria's Cocoa Bean Exports Down

Reflecting the small 1968-69 harvest, Nigeria's exports of cocoa beans in 1969 totaled only 173,608 metric tons, down 17 percent from 1968 shipments, of 208,885 tons. However, because of higher world cocoa prices, the value increased slightly to \$147.3 million from \$146.2 million in 1968. The major recipients were the United Kingdom, 42,326 tons; the Netherlands, 28,681 tons; West Germany, 28,068 tons; the USSR, 24,329 tons; the United States, 15,063 tons; and Italy, 18,483 tons.

Cocoa butter exports in 1969 totaled 10,612 metric tons valued at \$20.5 million. The major markets were the Netherlands, 5,276 tons; the United Kingdom, 3,008 tons; the United States, 1,336 tons; and the USSR, 767 tons. Exports of both cocoa butter and cake in 1968 were 21,237 tons valued at \$17.0 million.

March Tobacco Imports

U.S. imports of unmanufactured tobacco for consumption during March 1970 were 18.3 million pounds, an increase of 1.4 million from March 1969. The value—at \$11.1 million—was slightly higher than the \$10.8 million in March last year. The rise is attributed mainly to larger imports of scrap tobacco.

Cumulative imports for the first quarter of 1970 (January-March)—at 52.5 million pounds—were up 4.6 percent from the same period a year ago. The largest increase was recorded for scrap tobacco, followed by smaller increases for cigarette leaf (flue and burley), cigar filler, and cigar wrapper. Imports of cigarette leaf (oriental) are lower by 1.3 million pounds than during the same period last year.

U.S. IMPORTS OF UNMANUFACTURED TOBACCO [For consumption]

Period and kind	1969		1970	
	Quantity 1,000 pounds	Value 1,000 dollars	Quantity 1,000 pounds	Value 1,000 dollars
January-March:				
Cigarette leaf (flue & burley)	760	363	1,028	347
Cigarette leaf, other	35,276	24,211	33,999	22,689
Cigar wrapper	109	383	131	514
Mixed filler & wrapper	112	638	102	367
Cigar filler, unstemmed	679	517	710	692
Cigar filler, stemmed	613	806	736	959
Scrap	12,240	4,377	15,707	5,795
Stems	359	19	43	2
Total	50,148	31,314	52,456	31,365
March:				
Cigarette leaf (flue & burley)	192	69	2	1
Cigarette leaf, other	11,824	8,108	11,029	7,568
Cigar wrapper	45	161	49	200
Mixed filler & wrapper	91	536	62	188
Cigar filler, unstemmed	238	199	449	402
Cigar filler, stemmed	193	241	264	337
Scrap	4,137	1,433	6,448	2,428
Stems	149	5	—	—
Total	16,869	10,752	18,303	11,124

Bureau of the Census.

Chinese Tobacco to West Germany

In 1969, arrivals of unmanufactured tobacco into West Germany from Mainland China rose by nearly 50 percent to 25.2 million pounds, from 17.1 million pounds in 1968; they were 20 times the 1964 level. The upswing in imports from Mainland China began about the time the German Government embargoed imports of Rhodesian tobacco.

The tobacco from Mainland China is a flue-cured type and is available at about one-fourth the price of American tobacco. West German manufacturers indicate that they would like to use more of this type of leaf, not only because it is cheaper, but also because its quality as a neutral, low-nicotine filler has continued to improve.

West Germany is the second largest market for U.S. tobacco. In 1969, 101.8 million pounds of U.S. unmanufactured

leaf were exported to the West German market, representing 18 percent of total U.S. tobacco exports.

GERMAN IMPORTS OF TOBACCO FROM MAINLAND CHINA

Year	Arrivals	Declared	Average price of
		imports	declared imports
		1,000 lb.	U.S. dol. per lb.
1964	1,261	1,109	\$0.25
1965	4,475	3,457	.26
1966	9,577	6,907	.24
1967	14,198	9,634	.27
1968	17,075	10,712	.24
1969	25,163	18,174	.26

Canadian Flue-Cured Market Closes

A total of 226.3 million pounds of the 1969 Canadian flue-cured tobacco crop was sold at the Ontario Flue-Cured Tobacco Growers Auction, which closed April 28, 1970. The crop was one of the largest on record and brought an overall price of 61.4 U.S. cents per pound.

In general, processors are satisfied with the quality of the crop, but feel that the average price should be lower to enhance export opportunities. The 1968 crop of 200.4 million pounds was sold at the average price of 65.9 U.S. cents per pound.

Portuguese Tobacco Imports Level

In 1969 imports of unmanufactured tobacco into Portugal were down 26 percent to 13.5 million pounds from the record of 18.3 million in 1968. They were, however, about the same as the 1960-64 annual average of 13.4 million pounds. The United States supplied 4.0 million pounds or 30 percent of total imports in 1969. Other major suppliers included Angola, Mozambique, and Greece with 3.3 million, 1.6 million, and 1.1 million pounds respectively. Imports from these three countries and the United States represented three-fourths of 1969 imports. Imports make up nearly 90 percent of Portuguese domestic requirements.

PORtUGUESE UNMANUFACTURED TOBACCO IMPORTS

Country of origin	1960-64	1967	1968	1969
	average			
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
United States	6,357	4,929	6,774	4,048
Angola	1,203	3,740	3,369	3,311
Mozambique	1,608	1,001	1,933	1,645
Greece	1,407	1,192	1,135	1,052
Others	2,803	2,891	5,093	3,405
Total	13,378	13,753	18,304	13,461

Austria's Cigarette Sales Rising

Domestic sales of cigarettes in Austria continued to increase through calendar year 1969. Sales totaled 12,330 million pieces, 3.4 percent above 11,936 million in 1968. Further increases are expected this year.

By the end of 1969, the Tobacco Monopoly marketed a total of 55 cigarette brands, compared with 50 brands the year before. Of these 55 brands, 21 brands were imported; 6 of the imports were manufactured by the Monopoly's factory in



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West Germany. About 10 percent of the total sales of cigarettes are imported. West Germany is by far the largest supplier, followed by Switzerland, France, and the United Kingdom.

The steady upward movement in sales of cigarettes should be reflected in future imports of unmanufactured tobacco because about 95 percent of the total requirements are met through imports. Since only 18.5 million pounds of unmanufactured tobacco were imported in 1969, compared with a record of 30.9 million pounds in 1968, imports in 1970 are expected to be close to the 1968 level. The United States continues to be Austria's largest supplier of unmanufactured tobacco, with an 18-percent share of the total market in 1969.

Poland's Cigarette Output Rises

Production of cigarettes in Poland in 1969 rose to a new record of 68.5 billion pieces, 6.6 percent above the previous year and 35.5 percent above the 1960-64 average of 50.5 billion. Supplies of cigarettes on the domestic market are also on an upward trend: they increased to 67.3 billion cigarettes in 1969 from 63.3 billion in 1968.

Poland produces most of its tobacco requirements and also exports some unmanufactured leaf and cigarettes. An important market for unmanufactured tobacco a few years ago, Poland imported in 1969 a total of only 8.5 million pounds, compared with 12.1 million in 1968 and an average of 33.5 million pounds in 1963-67.

Yugoslav Tobacco Import Quota

The Yugoslav Government recently announced "commodity contingents" for the importation of certain agricultural commodities during 1970, including a tobacco contingent of 11.0 million pounds. This amount represents the maximum amount of tobacco that may be imported during calendar year 1970, and is based on anticipated domestic needs during the year.

Last year's tobacco contingent was set at 8.4 million pounds, but only 6.0 million pounds were imported. Of the total, 5.4 million pounds were imported from Bulgaria and 600,000 from the United States. Imports from the United States, although small, were more than four times the 134,000 pounds imported in 1968. The U.S. leaf is imported for use in manufacture of American-blend cigarettes.

Although Yugoslavia is better known in its role as an important producer and exporter of oriental leaf, its tobacco exports have been steadily declining in recent years. Exports of only 28.3 million pounds during 1969 compare with 35.0 million in 1968 and 51.2 million in 1965.

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